

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
ROOM 113
THURSDAY, FEBRUARY 28, 2002
8:15 A.M.**

Commissioners Present: Bob Workman, Chair
Bernie Heier, Vice Chair
Kathy Campbell
Larry Hudkins
Ray Stevens

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Trish Owen, Deputy County Clerk
Ann Taylor, County Clerk's Office

The Staff Meeting was called to order at 8:18 a.m.

AGENDA ITEM

1 APPROVAL OF THE STAFF MEETING MINUTES OF TUESDAY, FEBRUARY 26, 2002

Item held.

Hudkins arrived at 8:20 a.m.

2 ADDITIONS TO THE AGENDA

- A. Staff Meeting with Lincoln Convention & Visitors Bureau (CVB), March 21, 2002
- B. Microcomputer Request C#2002-083, \$5,767.35 from the Microcomputer Fund for a Compaq V720 17" Monitor, Scanner, and Software for the County Attorney's Office (Exhibit A)
- C. Agenda for Luncheon Meeting with Village Clerks and Boards, March 28, 2002
- D. Interlocal Agreement with Planning
- E. Update on the Request for Proposals (RFP) to Administer Proceeds of the County Visitors Promotion Fund

MOTION: Hudkins moved and Stevens seconded to approve the additions to the agenda. Campbell, Heier, Workman, Stevens and Hudkins voted aye. Motion carried.

ADDITIONS TO THE AGENDA

- A. Staff Meeting with Lincoln Convention & Visitors Bureau (CVB), March 21, 2002

MOTION: Heier moved and Stevens seconded to invite members of the City Council to attend the discussion. Stevens, Hudkins, Workman, Heier and Campbell voted aye. Motion carried.

- B. Microcomputer Request C#2002-083, \$5,767.35 from the Microcomputer Fund for a Compaq V720 17" Monitor, Scanner, and Software for the County Attorney's Office (Exhibit A)

Eagan said the request is related to the case management system that was approved at mid-year. He noted that an additional \$2,000 may be necessary.

MOTION: Hudkins moved and Campbell seconded approval from the Microcomputer Fund with a \$2,000 addition, if necessary. Hudkins, Stevens, Workman, Heier and Campbell voted aye. Motion carried.

- C. Agenda for Luncheon Meeting with Village Clerks and Boards, March 28, 2002

Board consensus to schedule an update on the Comprehensive Plan and discussion of whether to have the Building and Safety Department enforce codes within the villages on the agenda.

- D. Interlocal Agreement with Planning

Heier said he believes the County should have two representatives on the Planning Commission, as the County pays 20% of the budget.

Eagan said the provision for appointment is in the City ordinance, rather than the interlocal agreement.

In response to a question from Hudkins, he said the interlocal agreement for the Planning Department may be reopened, if both parties agree. He agreed to present additional information at the March 7, 2002 Staff Meeting.

- E. Update on the Request for Proposals (RFP) to Administer Proceeds of the County Visitors Promotion Fund

Eagan said the Purchasing Department has received Request for Proposals (RFP's) from two entities, but said they don't appear to meet the County's needs. He added that there has been little input from the hotel industry on what they would like to see in the RFP document.

3 COMMISSIONER MEETING REPORTS

A. Visitors Promotion Advisory Committee - Workman

Workman reported that the representatives of the downtown hotels did not attend the meeting. He said the Visitors Promotion Advisory Committee (VPAC) reviewed the list of items the downtown hotels would like to see addressed:

1. Review International Association of Convention and Visitors Bureau (IACVB) listing of national and state conventions
2. Develop a written comprehensive business plan
3. Visit the Convention and Visitors Bureaus in comparable cities
4. Develop a more experienced sales staff
5. Improve exchange of information between the Convention and Visitors Bureau and hotels regarding availability of rooms and facilities
6. Update State Statutes and bylaws governing the Visitors Promotion Advisory Committee (VPAC)

Workman reported that amendment of the bylaws and whether to include a requirement that one representative from the hotel industry be from a small hotel and one from a full-service hotel were discussed. There was also discussion on whether to continue to meet quarterly or on a monthly basis, with consensus to meet quarterly and to continue the monthly meetings with the hotel industry.

In response to a question from Stevens, Eagan said the Nebraska Revised Statutes are ambiguous but the legislative history makes it clear that the intent was to limit representation from the hotel industry to the two representatives.

4 LEGISLATIVE UPDATE - Gordon Kissel, Legislative Consultant

Gordon Kissel, Legislative Consultant, gave a legislative update (Exhibit B), noting the following:

- Governor Johanns will announce today how he plans to deal with the \$186 million deficit. Significant cuts and cigarette and alcohol tax increases are anticipated.
- The Appropriations and Revenue Committees will meet to discuss the legislative package of budget cuts and tax increases. The Appropriations Committee has agreed in principal that \$66 million in cuts and \$120 million in revenue are needed. An across the board cut could impact state aid to schools, general aid to counties, aid to county juvenile services and county jail cost reimbursement. Income tax and sales tax are possible sources of revenue. The Revenue Committee will also discuss broadening the tax base.
- It appears that Senator Coordsen will take LB 600 (changes agricultural and horticultural land valuation provisions) to a vote and try to advance it to Select File.

Hudkins said it appears that agricultural groups will support the bill but will seek a delay.

Kissel said he has been in contact with Norm Agena, County Assessor, throughout the debate and has indicated Lancaster County's support of the income approach. He added that the bill is being rewritten on the floor (see Exhibit B for amendments).

Hudkins noted that the State Property Tax Administrator has frequently disagreed with how Lancaster County has arrived at greenbelt values (valuing property as to its use, not on the price it would bring on the open market) and said clarifying language would be beneficial.

- Senator Connealy has filed an amendment to LB 616 (authorizes road maintenance agreements between counties, cities and villages). Kissel said the permissive language is intended to address a specific situation in Connealy's district.
- Senator Hartnett has prioritized LB 1240 (change city and county responsibilities and funds under the Nebraska Visitors Development Act) and plans to amend the bill to exclude Lincoln and Lancaster County.
- Senator Aguilar's priority bill LB 1115 (authorize Drug Court programs) remains in the Judiciary Committee. An amendment was drafted that includes Lancaster County's language. Kissel said Senator Aguilar anticipates that the committee will adopt the amendment and advance the bill.

Campbell requested a copy of LR 14CA (Constitutional amendment to authorize property tax exemption for historically significant real property) and review by the County Assessor.

Kissel said he will have Amy Prenda, Director of Legal Research and Analysis for Kissel/E&S Associates, prepare an analysis of the legislative resolution.

The following were also included in Exhibit B:

- *Senator Priority List - 2002*
- *Committee Priority Bills* (final list)
- *Speaker Priority Bills*

5 OVERVIEW OF COUNTY'S ECONOMIC DEVELOPMENT PROGRAM - Troy Gagner, Economic Development Coordinator; Dave Kroeker, Budget and Fiscal Officer

Troy Gagner, Economic Development Coordinator, gave an overview of the *Agreement for the Administration of the Lancaster County Economic Development Loan Fund by the City of Lincoln Urban Development Department* (see agenda packet).

In response to a question from Workman, Gagner said recent projects involving Kawasaki Motors and Cabela's depleted the County's Economic Development Program Fund and funds were borrowed from the Keno Fund. He said as current loans are repaid, the Keno Fund will be reimbursed.

Dave Kroeker, Budget and Fiscal Officer, reported that January and February payments have been received from Weaver Potato Chip Company.

Gagner said Linweld Inc. and U.S. Foods also make payments on a regular basis. He noted that Cabela's won't begin repayment until Year 5 of its loan, due to the terms of the loan.

Gagner said Cabela's has 36 months to spend down the County's funds and said \$234,000 of the \$500,000 is remaining. He said the City has paid out all but \$5,100 of its \$200,000 to Cabela's and said the County can start to pay out for City job creation after the City's funds are depleted.

Campbell asked whether the County has applied to the Nebraska Department of Economic Development for additional Community Development Block Grant (CDBG) funds.

Gagner said no, noting a project is required. He said there may be a suitable project in the near future.

Campbell said the County needs to continue that effort.

Gagner explained that the County receives its CDBG funds through the Competitive Grant Program, noting the State serves as a pass-through for these funds. Lincoln is an Entitlement City and receives an annual entitlement of \$2.1 million in block grant dollars from Housing and Urban Development (HUD). He said approximately 20% goes towards the City's economic development projects. These funds are used for the City's job creation program, facade improvement program (commercial building rehabilitation program for blighted areas) and the Self Employment Loan Fund (SELF), which is a micro-lending program. Some funding is also provided to the One Stop Employment Solutions Center, a job training and employment center. Gagner said the City also has loans in repayment and regenerates these funds into the job creation and facade improvement programs. He said he has tried to structure the City and County's programs the same to make them easier to track and for individuals to use.

Campbell and Kroeker provided a brief history of how the County's contract with Urban Development came about. Campbell said the County pays Urban Development, on a per cost basis, and said \$6,974.89 was paid out in May, 2000 and \$13,586.72 in October, 2001 (payments cover a two year period).

In response to a question from Campbell, Gagner said the City's funding of the Lincoln Partnership for Economic Development (LPED) comes from the General Fund.

Workman asked how Economic Development fits with LPED.

Gagner explained that LPED is involved with recruitment efforts and Urban Development works with block grants. He added that block grant funding is easier to coordinate with small local businesses trying to expand than with large companies coming in from the outside, due to the way the block grant rules are written. Gagner said the recruitment of a larger business involves making an offer, then working backwards in terms of the funding source.

Workman questioned whether the County should focus more on large projects, noting the smaller loans require a great deal of technical assistance that could be handled by a bank.

Gagner said the ideal place seems to be somewhere in the middle, as staff time is limited.

Kroeker asked whether block grant funds could be used to fund LPED.

Gagner said a low to moderate income benefit would need to be demonstrated.

In response to a question from Campbell, Kroeker said the County moved \$90,000 from its Economic Development Fund to the Rural Enterprise Assistance Program (REAP) micro-lending program. He said REAP has high administration costs, reporting \$58,000 in administration costs for the period of 1999 to present. Gagner estimated that REAP loans totaled \$60,000 to \$80,000 for that period. He said the REAP contract expires in October, 2002 and suggested that SELF may be another option. Gagner said SELF generated \$90,000 in loans last year, with the City paying administration costs of \$60,000. He said the program could be expanded county-wide, estimating administration costs at \$5,000, with no additional loan costs.

In response to a question from Campbell, Gagner explained that some of REAP's funding came from block grants prior to the allocation of \$90,000.

Campbell said Hudkins has suggested redirecting the County's funding of the REAP program to LPED or the Mayor's proposal of Economic Development Project Manager position.

6 LINCOLN PARTNERSHIP FOR ECONOMIC DEVELOPMENT - Mayor Wesely; Michelle Waite, Administrative Assistant to the University of Nebraska Chancellor for Community Relations

Mayor Wesely distributed copies of a letter he sent to Paul McCue, Chamber of Commerce President and Lincoln Partnership for Economic Development (LPED) Administrator, dated February 1, 2002, regarding issues that he believes LPED needs to address (Exhibit C).

Mayor Wesely noted previous discussion of the idea of adding to LPED's staff in the areas of project management and technology/venture capital. **NOTE:** The City and Lincoln Electric System (LES) decided to redirect their commitments of \$25,000 each to LPED for these positions to fund an Economic Development Project Manager under the Mayor's management to work with LPED. The County Board was asked to consider redirecting its commitment of \$25,000 to partner with the City and LES in funding this position.

Mayor Wesely said the University of Nebraska has decided to proceed with a Technology Development Project Coordinator tied to Prem Paul, Vice Chancellor for Research. He said the City may partner with the University for this position and suggested that the County consider doing so as well. Mayor Wesely added that LPED endorses the two positions but wants them under LPED.

Michelle Waite, Administrative Assistant to the University of Nebraska Chancellor for Community Relations, said the University is very interested in economic development in Lincoln and in having a closer partnership with the business community, particularly in the area of technology.

In response to a question from Campbell, Mayor Wesely said Chancellor Perlman believes \$90,000 is needed for this position and said some of the funding may come from private donations.

Mayor Wesely said he would like to move quickly with the Economic Development Project Manager position. He said, if the County elects to partner with the City and LES for the position, that it will have an equal voice in the selection and direct access to the individual.

In response to a question from Campbell, Troy Gagner, Economic Development Coordinator, said the Economic Development Project Manager will be involved with general economic development activities.

Hudkins said the position will not just create new loan activities, but will serve existing businesses and monitor their economic health.

Workman noted that projects in the City also benefit the County.

MOTION: Hudkins moved and Stevens seconded to commit \$25,000 from the Keno Fund for one-time startup costs for the Economic Development Project Manager.

Mayor Wesely stated that the position will be an on-going expense.

Hudkins said further funding will need to be through the budget process.

In response to a question from Workman, Hudkins said the commitment to this position would not necessarily negate the County's commitment of \$25,000 to LPED.

Campbell said she believes that there should have been discussion with LPED. She said she agrees with the commitment of \$25,000, but said she would rather have seen a cooperative effort with all of the partners.

ON CALL: Hudkins, Stevens, Workman and Heier voted aye. Campbell voted no. Motion carried.

The Board designated the Chair to serve on the Selection Committee.

ADDITIONS TO THE AGENDA

F. Update on Redevelopment Plan for the Old Federal Building

MOTION: Heier moved and Hudkins seconded to add the item to the agenda. Hudkins, Stevens, Workman, Heier and Campbell voted aye. Motion carried.

Ann Harrell, Administrative Assistant to the Mayor, appeared and said the redevelopment plan is proceeding and the County will need to consider relocating its offices that are in the building.

7 PENDING AND POTENTIAL LITIGATION - Mike Thew, Chief Deputy County Attorney; Dave Johnson, Deputy County Attorney

MOTION: Campbell moved and Hudkins seconded to enter Executive Session at 10:23 for discussion of pending and potential litigation. Campbell, Heier, Hudkins, Stevens and Workman voted aye. Motion carried.

MOTION: Hudkins moved and Campbell seconded to exit Executive Session at 11:10 a.m. Hudkins, Stevens, Workman, Heier and Campbell voted aye. Motion carried.

8 CHANGE OF ZONE NO. 207, AGRICULTURAL (AG) TO AGRICULTURAL RESIDENTIAL (AGR), SOUTHWEST 56TH STREET AND WEST DENTON ROAD - Mike DeKalb, Planning Department

Mike DeKalb, Planning Department, reviewed Change of Zone No. 207, a request from Virginia Thomas for a change of zone from Agricultural (AG) to Agricultural Residential (AGR) on property at Southwest 56th Street and West Denton Road (split jurisdiction) (Exhibit D). He said the application is in character with the surrounding area (acreage development) and is generally in compliance with the review criteria of the Comprehensive Plan. The Planning Commission recommended denial on a vote of five to two. He said the Planning Commission would have preferred to have had a preliminary plat and wants to avoid speculative change of zone requests. DeKalb said Planning Staff recommended deferral until a preliminary plat is presented, due to a recommendation of denial from the County Engineer, lack of a water report and the location of a wooded area and floodplain in the middle of the area of application.

Campbell said she agrees with the Planning Staff's recommendation of deferral because once the change of zone is approved, the property can be sold and developed without a plat being brought forward. She noted that the minutes of the public hearing before the Planning Commission on February 20, 2002 (see agenda packet) reflect that the Planning Commission felt denial would force reapplication to come under the new Comprehensive Plan. Campbell said she does not believe that the applicant intended to "jam this in" under the existing Comprehensive Plan and said a deferral would allow the application to be placed on pending with the existing reports. Denial would prevent the application from coming back for one year.

DeKalb said the applicant could reapply in less time if the application is withdrawn. He added that the applicant is not interested in paying for a preliminary plat, rather "wanted to take a shot and see how it went".

Campbell said she was disappointed that it was not stated at the public hearing that this is an area that the County Board has deemed suitable for acreage development.

Hudkins exited the meeting at 11:21 a.m.

Stevens said the Board could indicate that it doesn't have enough information at this time and that a preliminary plat would be helpful.

DeKalb said a preliminary plat allows you to see what you are going to get and to lock it in.

Heier said he believes the process is backwards and said he objects to requiring an applicant to present a preliminary plat if an area isn't considered favorable for acreage development.

9 ACTION ITEM

- A. Request from Dean Settle, Community Mental Health Center Director, for Paid Administrative Leave, March 13-19, 2002

MOTION: Campbell moved and Stevens seconded approval. Campbell, Heier, Workman and Stevens voted aye. Hudkins was absent from voting. Motion carried.

10 CONSENT ITEMS

- A. Vacation Request from Gary Chalupa, Veterans Service Officer, March 6-13, 2002

MOTION: Campbell moved and Stevens seconded approval. Stevens, Workman, Heier and Campbell voted aye. Hudkins was absent from voting. Motion carried.

11 ADMINISTRATIVE OFFICER REPORT

- A. Commissioners Award of Excellence

Eagan said Cori Beattie, County Board Administrative Secretary, took administration of the Commissioners Award of Excellence over from the Personnel Department a year ago because they were short staffed. He said she no longer has the time to devote to the task and suggested that it be reassigned to the Personnel Department.

MOTION: Heier moved and Stevens seconded to reassign administration of the Commissioners Award of Excellence to the Personnel Department. Campbell, Heier, Workman and Stevens voted aye. Hudkins was absent from voting. Motion carried.

- B. Correspondence to Planning Department Regarding Acreages

The Board scheduled a worksession with the Planning Department on the Comprehensive Plan from 1-3 p.m. on March 21, 2002.

- C. Reconvening of Planning Director Search Committee

MOTION: Heier moved and Stevens seconded to appoint Commissioner Campbell to serve on the Planning Director Search Committee. Stevens, Workman, Heier and Campbell voted aye. Hudkins was absent from voting. Motion carried.

- D. Breast Pump

MOTION: Campbell moved and Heier seconded to authorize the Lincoln-Lancaster Women's Commission to develop a plan for use of the breast pump. Campbell, Heier, Workman and Stevens voted aye. Hudkins was absent from voting. Motion carried.

- E. Letter to Nebraska Department of Health and Human Services (HHS) Regarding Families First & Foremost (F³)

Eagan said Dave Kroeker, Budget and Fiscal Officer, has drafted a letter to Nebraska Department of Health and Human Services (HHS) requesting an increase in the prospective payment for administration of the Child Mental Health Initiative Grant (see agenda packet).

MOTION: Campbell moved and Stevens seconded to authorize the Chair to send the letter to the Nebraska Department of Health and Human Services (HHS). Stevens, Workman, Heier and Campbell voted aye. Hudkins was absent from voting. Motion carried.

COMMISSIONER MEETING REPORTS

B. Community Mental Health Center Advisory Committee - Stevens

Stevens said Dean Settle, Community Mental Health Center (CMHC) Director, believes Region V discriminated against CMHC in the latest tobacco settlement grant funding decisions as a result of him writing a memorandum summarizing comments made at a meeting of adult mental health service providers that was convened to discuss concerns related to Region V.

Campbell said the Region V Executive Committee had requested that concerns be forwarded to them and now they are not being well received.

Settle suggested that the Board forward a copy of Settle's memorandum to the Region V Governing Board and request their comments.

Board consensus to review the memorandum at the March 7, 2002 Staff Meeting.

C. Lincoln Independent Business Association (LIBA) Budget Monitoring Committee - Hudkins, Stevens

Stevens reported that discussion focused on concerns regarding the Chamber of Commerce, Lincoln Partnership for Economic Development (LPED) and the Lincoln Convention & Visitors Bureau (CVB).

Heier exited the meeting at 12:12 p.m.

12 ADJOURNMENT

MOTION: Campbell moved and Stevens seconded to adjourn the meeting at 12:13 p.m. Stevens, Workman and Campbell voted aye. Hudkins and Heier were absent from voting. Motion carried.

Bruce Medcalf
County Clerk